

# **City of El Paso, Texas**

Single Audit Reports

Year Ended August 31, 2011



**City of El Paso, Texas**  
**Year Ended August 31, 2011**

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**City of El Paso, Texas**  
**Schedule of Expenditures of Federal and State Awards**  
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Cluster/Program	Federal Agency/ Pass-Through Entity	CFDA Number	Grant or Identifying Number	Amount Expended
Special Supplemental Nutrition Program for Women, Infants, and Children	U.S. Department of Agriculture/ Texas Department of State Health Services	10.557	2009-030103-001	\$ 140
			2010-033688-001	842,334
			2011-037164-001	5,971,385
	<b>Total U.S. Department of Agriculture</b>			<b><u>6,813,859</u></b>
Economic Adjustment Assistance	Department of Commerce Economic Development Administration	11.307	08-49-04619	1,236,922
Public Safety Interoperable Communications Grant Program	Department of Commerce National Telecommunications and Information Administration	11.555	2007-GS-H7-0044	2,019,669
			2008-GE-T8-0034	79,632
				<u>2,099,301</u>
Broadband Technology Opportunities Program	Department of Commerce National Telecommunications and Information Administration	11.557	48-42-B10570	2,564,156
				<b><u>5,900,379</u></b>
Community Economic Adjustment Assistance for Establishment, Expansion, Realignment, or Closure of a Military Installation	U.S. Department of Defense	12.607	RA0619-07-01-03-03	112,237
				<b><u>112,237</u></b>
<i>CDBG - Entitlement Grants Cluster</i> Community Development Block Grants/Entitlement Grants	U.S. Department of Housing and Urban Development	14.218	B-07-MC-48-0015	6,497
			B-08-MC-48-0015	694,002
			B-09-MC-48-0015	2,056,218
			B-10-MC-48-0015	6,868,257
			B-11-MC-48-0015	(1,826)
			FGD FY11-CDBG	26,505
			FGD FY12-CDBG	3,843
			HUD Payroll Suspense Acct	(8,773)
			<u>9,644,723</u>	
ARRA - Community Development Block Grant ARRA Entitlement Grants	U.S. Department of Housing and Urban Development	14.253	B-09-MY-48-0015	283,191
				<i>Total CDBG - Entitlement Grants Cluster</i>
<i>CDBG - State-Administered Small Cities Program Cluster</i> Emergency Shelter Grants Program	U.S. Department of Housing and Urban Development	14.231	S-09-MC-48-0005	43,604
			S-10-MC-48-0005	373,159
			<u>416,763</u>	

**City of El Paso, Texas**  
**Schedule of Expenditures of Federal and State Awards (Continued)**  
**Year Ended August 31, 2011**

Cluster/Program	Federal Agency/ Pass-Through Entity	CFDA Number	Grant or Identifying Number	Amount Expended
HOME Investment Partnerships Program	U.S. Department of Housing and Urban Development	14.239	HOME PI	\$ 1,186,834
			M-04-MC-48-0213	82,350
			M-05-MC-48-0213	80,149
			M-06-MC-48-0213	1,062,910
			M-07-MC-48-0213	1,108,570
			M-08-MC-48-0213	1,483,780
			M-09-MC-48-0213	427,383
			M-10-MC-48-0213	411,514
				<u>5,843,490</u>
			Housing Opportunities for Persons with AIDs	U.S. Department of Housing and Urban Development
TXH10F006	<u>337,166</u>			
				364,699
Empowerment Zones Program	U.S. Department of Housing and Urban Development	14.244	EZ99TX0013	1,086,626
Economic Development Initiative - Special Project, Neighborhood Initiative and Miscellaneous Grants	U. S. Department of Housing and Urban Development	14.251	77090000112	27,489
			B-08-MN-48-0003	<u>369,954</u>
				397,443
ARRA - Homelessness Prevention and Rapid Re-Housing Program (HPRP)	U.S. Department of Housing and Urban Development	14.257	S-09-MY-48-0005	<u>1,932,408</u>
				<b><u>19,969,343</u></b>
Save America's Treasures	U.S. Department of the Interior	15.929	48-10-AP-5024	<u>9,283</u>
				<b><u>9,283</u></b>
Juvenile Accountability Block Grants	U.S. Department of Justice/ Texas Office of the Governor - Criminal Justice	16.523	2311101	17,605
Part E - Developing, Testing, and Demonstrating Promising New Programs	U.S. Department of Justice	16.541	2006-DD-BX-0550	9,087
	U.S. Department of Justice/ Texas Office of the Attorney General	16.575	2095101	(6,963)
Crime Victim Assistance			2095102	<u>75,636</u>
				68,673
Violence Against Women Formula Grants	U.S. Department of Justice/ Texas Office of the Governor - Criminal Justice Division	16.588	WF-09-V30-20949-01	9,735
Community Capacity Development Office	U.S. Department of Justice	16.595	2009-WS-QX-0030	66,791
			2010-WS-QX-0004	<u>58,585</u>
				125,376

**City of El Paso, Texas**  
**Schedule of Expenditures of Federal and State Awards (Continued)**  
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Cluster/Program	Federal Agency/ Pass-Through Entity	CFDA Number	Grant or Identifying Number	Amount Expended
Bulletproof Vest Partnership	U.S. Department of Justice	16.607	Bulletproof Vest Program	\$ (15,701) <u>16,799</u> 1,098
Public Safety Partnership and Community Policing Grants	U.S. Department of Justice	16.710	2005CKWX0432 2006CKWX0665 2008CKWX0362 2009CKWX0615	177,677 80,000 157,543 <u>177,330</u> 592,550
Edward Byrne Memorial Justice Assistance Grant Program	U.S. Department of Justice/ County of El Paso & Texas Office of the Governor - Criminal Justice Division	16.738	2010-DJ-BX-1416 2454701	73,793 <u>300,000</u> 373,793
Congressionally Recommended Awards	U.S. Department of Justice	16.753	2007DDBX0590	(780)
ARRA - Recovery Act - Edward Byrne Memorial Justice Assistance Grant (JAG) Program/ Grants to States and Local Government	U.S. Department of Justice/ Texas Office of the Governor - Criminal Justice Division	16.803	2329301	1,463,207
ARRA - Recovery Act-Edward Byrne Memorial Justice Assistance Grant (JAG) Program/ Grants to Units of Local Governments	U.S. Department of Justice	16.804	2009-SB-B9-3086	<u>76,170</u>
	<b>Total U.S. Department of Justice</b>			<b><u>2,736,514</u></b>
Airport Improvement Program	U.S. Department of Transportation	20.106	Various	3,043,837
<i>Highway Planning and Construction Cluster</i>				
Highway Planning and Construction	U.S. Department of Transportation	20.205	TX-70-X003 FHWA / TXDOT / MPO FY'05	132,433 (2,370)
	U.S. Department of Transportation/ Texas Department of Transportation U.S. Department of Transportation/ New Mexico Department of Transportation			1,132,014 <u>10,054</u> 1,272,131
Recreational Trails Program	U.S. Department of Transportation	20.219	184343	<u>62,769</u> 1,334,900
	<i>Total Highway Planning and Construction Cluster</i>			

**City of El Paso, Texas**  
**Schedule of Expenditures of Federal and State Awards (Continued)**  
**Year Ended August 31, 2011**

Cluster/Program	Federal Agency/ Pass-Through Entity	CFDA Number	Grant or Identifying Number	Amount Expended
<i>Federal Transit Cluster</i>				
Federal Transit-Formula Grants	U.S. Department of Transportation	20.507	NM-95-X003	\$ 341,760
			TX-90-X344	41,540
			TX-90-X483	(525)
			TX-90-X539	39,245
			TX-90-X573	90,177
			TX-90-X606	242,452
			TX-90-X662	212,951
			TX-90-X691	85,063
			TX-90-X718	44,442
			TX-90-X774	362,552
			TX-90-X783	(437,717)
			TX-90-X812	200,560
			TX-90-X841	213,414
			TX-90-X879	239,252
			TX-90-X893	487,612
			TX-95-X014	340,000
			TX-95-X015	1,147,079
			FTA Mass Transit Subsidy	9,969,580
			Various	<u>3,565,850</u>
				17,185,287
ARRA - Federal Transit- Formula Grants	U.S. Department of Transportation	20.507	TX-96-X035	<u>8,364,929</u>
	<i>Total Federal Transit Cluster</i>			<u>25,550,216</u>
<i>Highway Safety Cluster</i>				
State and Community Highway Safety	U.S. Department of Transportation/ Texas Department of Transportation	20.600	2010-ElPasoPD-S-SYG-0103	64,795
			2010-ElPasoSC-G-SYG-0017	<u>28,597</u>
				93,392

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Cluster/Program	Federal Agency/ Pass-Through Entity	CFDA Number	Grant or Identifying Number	Amount Expended
Step Impaired Driving Mobility	U.S. Department of Transportation/ Texas Department of Transportation	20.601	2011-EIPasoPD-S-IDM-00034	\$ 14,122
Occupant Protection Incentive Grants	U.S. Department of Transportation/ Texas Department of Transportation	20.602	2009-EIPasoPD-CIOT-00079 2011-EIPasoPD-CIOT-00023	82 16,927 <u>17,009</u>
	<i>Total Highway Safety Cluster</i>			124,523
	<b>Total U.S. Department of Transportation</b>			<b><u>30,053,476</u></b>
ARRA - Promotion of the Arts- Grants to Organizations and Individuals	National Endowment for the Arts	45.024	08-4400-7083	861
Promotion of the Arts- Partnership Agreements	National Endowment for the Arts	45.025	08-4400-7083 52256	1,337 <u>1,335</u> <u>2,672</u>
	<b>Total National Endowment for the Arts</b>			<b><u>3,533</u></b>
Museums for America	Institute of Museum and Library Services	45.301	MA-04-08-0305-08	18,560
American Heritage Preservation	Institute of Museum and Library Services	45.303	IC-04-09-0232-09	5,675
Grants to States	Institute of Museum and Library Services/ Texas State Library and Archives Commission	45.310	470-10016 470-11026 476-10018 476-11028	9,220 262,931 3,552 <u>77,319</u> <u>353,022</u>
	<b>Total Institute of Museum and Library Services</b>			<b><u>377,257</u></b>
Air Pollution Control Program Support	Environmental Protection Agency	66.001	A-00615410-1 A-00615410-1 A-00615411-1	(168,874) 3,195 <u>143,574</u> (22,105)
Surveys, Studies, Research, Investigations, Demonstrations, and Special Purpose Activities Relating to the Clean Air Act	Environmental Protection Agency/Texas Commission on Environmental Quality	66.034	582-08-72655 582-09-72655 582-11-72655	(505) 18,906 <u>22,482</u> 40,883

**City of El Paso, Texas**  
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Cluster/Program	Federal Agency/ Pass-Through Entity	CFDA Number	Grant or Identifying Number	Amount Expended
Performance Partnership Grants	Environmental Protection Agency/Texas Commission on Environmental Quality	66.605	582-10-86375 582-10-86410 582-11-86375 582-11-86410 582-10-90258 582-11-90258 582-11-11176 09-08-G06 10-08-G04 10-08-G04	\$ (717) (116) 30,312 86,370 505 321,019 30,000 (8,059) 23,116 32,000 <u>514,430</u>
Brownfields Assessment and Cleanup Cooperative Agreements	Environmental Protection Agency	66.818	BF-96660301-0 BF-96665604-1	32,292 <u>120,806</u> 153,098
<b>Total Environmental Protection Agency</b>				<b><u>686,306</u></b>
ARRA - Weatherization Assistance for Low-Income Persons	U.S. Department of Energy/ Texas Department of Housing and Community Affairs	81.042	16090000704	3,598,507
ARRA - Energy Efficiency and Conservation Block Grant Program	U.S. Department of Energy	81.128	EE0000964	<u>4,149,151</u>
<b>Total U.S. Department of Energy</b>				<b><u>7,747,658</u></b>
Strengthening Public Health Services at the Outreach Offices of the U.S.- Mexico Border Health Commission	Department of Health and Human Services/ Texas Department of State Health Services	93.018	2010-034779-001	12,752
Public Health Emergency Preparedness	Department of Health and Human Services/ Texas Department of State Health Services	93.069	2009-032094-001 2009-032170-001 2010-033393-001C 2010-033512-001G 2010-035411-001 2010-035728-001 2010-035864-001 2011-038670-001 2011-038678-001 2011-038811-001	91,052 16,672 20,956 259,110 186,589 107,165 560,634 7,824 1,566 <u>15,410</u> 1,266,978
Project Grants and Cooperative Agreements for Tuberculosis Control Programs	Department of Health and Human Services/ Texas Department of State Health Services	93.116	2010-034144-001 2011-037500-001A	95,902 <u>136,493</u> 232,395



**City of El Paso, Texas**  
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Cluster/Program	Federal Agency/ Pass-Through Entity	CFDA Number	Grant or Identifying Number	Amount Expended
<i>Immunization Cluster</i>				
Immunization	Department of Health and Human Services/ Texas Department of State Health Services	93.268	2010-031604-001 2011-033498-001A	\$ 65,735 <u>1,324,927</u>
<i>Total Immunization Cluster</i>				<u>1,390,662</u>
Centers for Disease Control and Prevention- Investigations and Technical Assistance	Department of Health and Human Services/ Texas Department of State Health Services	93.283	2010-035023-001	73,816
ARRA - Strengthening Communities Fund	Department of Health and Human Services	93.711	90SN0029	153,355
ARRA Prevention and Wellness – States, Territories and Pacific Islands	Department of Health and Human Services	93.723	2011-038248-001	2,648
HIV Prevention Activities-Health Department Based	Department of Health and Human Services/ Texas Department of State Health Services	93.940	2010-032915-001	(556)
Epidemiologic Research Studies of Acquired Immunodeficiency Syndrome (AIDS) and Human Immunodeficiency Virus (HIV) Infection in Selected Population Groups	Department of Health and Human Services/ Texas Department of State Health Services	93.943	2010-034530-001 2010-034570-001B 2011-037512-001 2011-037621-001	69,932 164,954 83,210 <u>231,393</u> 549,489
Human Immunodeficiency Virus (HIV)/Acquired Immunodeficiency Virus Syndrome (AIDS) Surveillance	Department of Health and Human Services/ Texas Department of State Health Services	93.944	2010-034564-001 2011-037582-001	26,692 <u>32,049</u> 58,741
Preventive Health and Health Services Block Grant	Department of Health and Human Services/ Texas Department of State Health Services	93.991	2010-032532-001 2011-035478-001	9,080 <u>167,414</u> 176,494
Maternal and Child Health Services Block Grant to the States	Department of Health and Human Services/ Texas Department of State Health Services	93.994	DSHS 2010-031630-001A DSHS 2010-032888-001A DSHS 2011-036930-001A	7,704 1,331 <u>218,008</u> 227,043
<b>Total U.S. Department of Health and Human Services</b>				<b>4,143,817</b>

**City of El Paso, Texas**  
**Schedule of Expenditures of Federal and State Awards (Continued)**  
**Year Ended August 31, 2011**

Cluster/Program	Federal Agency/ Pass-Through Entity	CFDA Number	Grant or Identifying Number	Amount Expended
Retired and Senior Volunteer Program	Corporation for National and Community Service/ Texas Department of Aging and Disability Services	94.002		\$ 113,109
<i>Foster Grandparent/Senior Companion Cluster</i>				
Foster Grandparent Program	Corporation for National and Community Service/ Texas Department of Aging and Disability Services	94.011		519,396
	<b>Total Corporation for National Community Service</b>			<b>632,505</b>
High Intensity Drug Trafficking Areas Program	Executive Office of the President	95.001	G09SW0007A G10SW0007A G11SW0007A I8PSWP574 SW-TXW-0522H	116,733 1,673,643 634,328 10,165 1,068
	<b>Total Executive Office of the President</b>			<b>2,435,937</b>
<i>Homeland Security Cluster</i>				
Homeland Security Grant Program	U.S. Department of Homeland Security	97.067	2010-SR-48141-02	459,853
Homeland Security Grant Program	U.S. Department of Homeland Security/ Texas Department of Public Safety	97.067	Operation Stonegarden	363,903
Metropolitan Medical Response System	U.S. Department of Homeland Security/ Texas Department of Public Safety	97.071	2008-GE-T8-0034 2009-SS-T9-0064 EMW-2003-FP-02038 EMW-2004-FP-02039	130,068 102,371 10,225 1,107
	<i>Total Homeland Security Cluster</i>			<u>1,067,527</u>
Non-Profit Security Program	U.S. Department of Homeland Security/ Texas Department of Public Safety	97.008	2008-GE-T8-0034 2009-SS-T9-0064	2,614,263 <u>1,133,023</u>
				3,747,286
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	U.S. Department of Homeland Security	97.036	Various	14,376

**City of El Paso, Texas**  
**Schedule of Expenditures of Federal and State Awards (Continued)**  
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Cluster/Program	Federal Agency/ Pass-Through Entity	CFDA Number	Grant or Identifying Number	Amount Expended
Emergency Management Performance Grants	U.S. Department of Homeland Security/ Texas Department of Public Safety	97.042	10TX-EMPG-0778	\$ 12,057
			11TX-EMPG-0778	<u>(26,503)</u>
				(14,446)
Assistance to Firefighters Grant	U.S. Department of Homeland Security/ Texas Department of Public Safety	97.044	EMW-2005-FG-08972	2,913
National Explosives Detection Canine Team Program	U.S. Department of Homeland Security	97.072	D TSA20-03-H-00998	200,500
State Homeland Security Program	U.S. Department of Homeland Security/ Texas Department of Public Safety	97.073	2008-GE-T8-0034	262,005
			2009-SS-T9-0064	<u>111,869</u>
				373,874
Buffer Zone Protection Program (BZPP)	U.S. Department of Homeland Security/ Texas Department of Public Safety	97.078	08-SRA-BZ-24000	74,818
Homeland Security Biowatch Program	U.S. Department of Homeland Security/ Texas Commission on Environmental Quality	97.091	582-09-86404	(55,869)
			582-10-86404	48,383
			582-11-86404	<u>196,344</u>
				188,858
Assistance to Firefighters Grant (ARRA)	U.S. Department of Homeland Security	97.115	F.S. #31	889,079
	<b>Total U.S. Department of Homeland Security</b>			<u><b>6,544,785</b></u>
<b>Total Federal Awards Expended</b>				<u><b>88,166,889</b></u>

**City of El Paso, Texas**  
**Schedule of Expenditures of Federal and State Awards (Continued)**  
**Year Ended August 31, 2011**

Granting Agency/Grant Program	Grant or Identifying Number	Amount Expended
<b>Texas State Library &amp; Archive Commission</b>		
Loan Star Libraries Grant	442-10094	\$ 11,745
Loan Star Libraries Grant	442-11643	85,591
		<u>97,336</u>
<b>Texas Parks and Wildlife</b>		
Tierra Del Este #18	55-000009	150,000
Sandstone Ranch Park	55-000007	192,236
		<u>342,236</u>
<b>Humanities Texas</b>		
Mexico Exhibit	2010-4029	789
Exhibits FY '10	2009-3779	5,400
		<u>6,189</u>
<b>Texas Department of State Health Services</b>		
<i>Division for Regulatory Services</i>		
Milk Grant	2011-035208-001	58,260
<i>Total Division for Regulatory Services</i>		<u>58,260</u>
<i>Division of Prevention and Preparedness</i>		
Infectious Disease Control	2011-036173-001	4,816
Zoonosis	2011-036364-001	19,155
PHP LRN Laboratory Program	2010-035277-001	11,493
Tuberculosis Prevention and Control	2010-032852-001	20,193
Tuberculosis Prevention and Control	2011-035279-001	325,644
<i>Total Division of Prevention and Preparedness</i>		<u>381,301</u>
<i>Division for Family and Community Health Services</i>		
Title V Fee for Service Program	2010-034122-001	(46,297)
Title V Fee for Service Program	2011-037010-001A	66,503
<i>Total Division for Family and Community Health Services</i>		<u>20,206</u>
		<b>459,767</b>
<b>Texas Automobile Theft Prevention Authority</b>		
ATPA Border Partners	SA-T01-10050-10	(132,285)
ATPA Border Partners	SA-T01-10050-11	1,252,132
		<u>1,119,847</u>

**City of El Paso, Texas**  
**Schedule of Expenditures of Federal and State Awards (Continued)**  
**Year Ended August 31, 2011**

<b>Granting Agency/Grant Program</b>	<b>Grant or Identifying Number</b>	<b>Amount Expended</b>
<b>Texas Commission on the Arts</b>		
Arts Create: Subgrant	11-32089	\$ 35,000
Arts Create	11-32090	15,499
Arts Create: Exhibit	11-32128	12,643
Arts Respond Project:Economic Development	11-32402	4,851
Arts Respond Project:Education	11-32423	3,000
Arts Respond Project:Natural Resources & Agriculture	11-32671	2,000
Arts Respond Project:Education		<u>(11,449)</u>
		61,544
<b>Texas Comptroller of Public Accounts</b>		
Alternative Fuel and Hybrid Vehicles	CM1017	100,000
<b>Texas Department of Housing and Community Affairs</b>		
Homeless Housing and Services Program (HHDP)	63100000887	1,072,894
<b>Office of the Governor, Criminal Justice Division</b>		
Gang Initiative Grant	2430601	170,703
SHOCAP Enhancement Project	CG-10-J20-23211-01	<u>416,169</u>
		586,872
<b>Total State Awards Expended</b>		<u><b>3,846,685</b></u>
<b>Total Federal and State Awards Expended</b>		<u><u><b>\$ 92,013,574</b></u></u>

**City of El Paso, Texas**  
**Schedule of Expenditures of Federal and State Awards (Continued)**  
**Year Ended August 31, 2011**

**Notes to Schedule**

1. This schedule includes the federal and state awards activity of all federal and state financial assistance programs of the City of El Paso, Texas, and is presented on the cash basis of accounting, except for the FAA Airport Improvement grant and the FTA Capital and Planning grants, which use the full accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

The accompanying schedule of expenditures of federal and state awards presents activity of all federal and state financial assistance programs of the City for the year ended August 31, 2011, except for the financial assistance received by the Public Service Board – El Paso Water Utilities. The City’s reporting entity is defined in note 1(A) of the City’s basic financial statements. Federal and state awards received directly from federal and state agencies, as well as federal and state financial assistance passed through other entities, are included on the schedule of expenditures of federal and state awards.

2. Amounts reported in the accompanying schedule of expenditures of federal and state awards may not agree with the amounts reported in the related federal and state financial reports filed with grantor agencies because of accruals that would be included in the subsequent reports filed with the agencies.
3. Of the federal and state expenditures presented in this schedule, the City provided federal awards to subrecipients as follows:

<b>Program</b>	<b>CFDA Number</b>	<b>Subrecipient</b>	<b>Amount Provided</b>
<b>State Subrecipient Awards</b>			
Arts Create/Arts Respond Programs	N/A	Various	\$ 35,000
Homeless Housing and Services Program (HHDP)	N/A	Various	<u>1,072,894</u>
<b>Total State Subrecipient Awards</b>			<u>\$ 1,107,894</u>

**City of El Paso, Texas**  
**Schedule of Expenditures of Federal and State Awards (Continued)**  
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Program	CFDA Number	Subrecipient	Amount Provided
<b>Federal Subrecipient Awards</b>			
<i>CDBG Entitlement Cluster</i>			
Community Development Block			
Grants/Entitlement Grants	14.218	Various	\$ 1,631,533
Emergency Shelter Grants Program	14.231	Various	397,585
Housing Opportunities for Persons with AIDs	14.241	International AIDS Empowerment	356,792
Empowerment Zones Program	14.244	Various	908,621
ARRA - Homelessness Prevention and Rapid Re-Housing Program (HPRP)	14.257	Various	1,910,209
ARRA - Energy Efficiency and Conservation Block Grant Program	81.128	El Paso Water Utilities	<u>237,912</u>
<b>Total Federal Subrecipient Awards</b>			<u>\$ 5,442,652</u>

4. The City administers federal loan programs. These programs are initiated with a grant of federal funds and are sustained after the original money is distributed in loans by using principal payments for subsequent loans to qualified borrowers. The interest received is considered to be program income and is used to pay administrative costs associated with the programs as well as for subsequent loans. As of August 31, 2011, outstanding principal balances of these loans were as follows:

Federal Grantor/Program Title	CFDA Number	Loans Receivable Principal
Department of Housing and Urban Development:		
Community Development Block Grants/Entitlement Grants	14.218	\$ 9,959,471
HOME Investment Partnerships Program	14.239	28,980,791
Empowerment Zones Program	14.244	<u>2,428,923</u>
Total revolving loans		<u>\$ 41,369,185</u>

**City of El Paso, Texas**  
**Schedule of Expenditures of Federal and State Awards (Continued)**  
**Year Ended August 31, 2011**

5. During fiscal year ended August 31, 1992, the City received a \$3,000,000 federal loan for construction work on the International Zaragoza Bridge. The balance of the loan at August 31, 2011 is \$1,050,000.
6. The accompanying schedule reflects certain adjustments resulting from fiscal adjustments to closed grants and transfers between grants. As a result, certain grants show negative expenditures.
7. Federal and state financial assistance programs are reported in the City's financial statements primarily in the Community Development Block Grants and Nonmajor Governmental Funds. Certain programs are included in the enterprise funds, of which certain grants are reported as capital contributions in the Income (Loss) Before Capital Contributions and Transfers section of the Statement of Revenues, Expenses, and Changes in Fund Net Assets (Deficit) Proprietary Funds.



**Independent Accountants' Report on Internal Control Over  
Financial Reporting and on Compliance and Other Matters Based on an  
Audit of the Financial Statements Performed in Accordance with  
Government Auditing Standards and the State of Texas Uniform Grant  
Management Standards**

The Honorable Mayor and Members of the City Council  
City of El Paso, Texas  
El Paso, Texas

We have audited the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of El Paso, Texas (the City) as of and for the year ended August 31, 2011, which collectively comprise the City's basic financial statements, and have issued our report thereon dated February 29, 2012, which contained a reference to the reports of other accountants. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States and the State of Texas *Uniform Grant Management Standards*, issued by the Governor's Office of Budget and Planning. The financial statements of the El Paso City Employees' Pension Fund, a fiduciary fund included within the aggregate remaining fund information, were not audited in accordance with *Government Auditing Standards* and the State of Texas *Uniform Grant Management Standards*. Other accountants audited the financial statements of the El Paso Firemen and Policemen's Pension Fund and the Public Service Board - El Paso Water Utilities, as described in our report on the City's financial statements. This report does not include the results of the other accountants' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those accountants. The financial statements of the El Paso Firemen and Policemen's Pension Fund, a fiduciary fund included within the aggregate remaining fund information, were not audited in accordance with *Government Auditing Standards* and the State of Texas *Uniform Grant Management Standards*. The financial statements of the Public Service Board - El Paso Water Utilities were not audited in accordance with the State of Texas *Uniform Grant Management Standards*.

**Internal Control Over Financial Reporting**

In planning and performing our audit, we considered the City's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over financial reporting.

The Honorable Mayor and Members of the City Council  
City of El Paso, Texas

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the City's financial statements will not be prevented or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses as defined above.

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the City's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* or the State of Texas *Uniform Grant Management Standards*.

We noted certain matters that we reported to the City's management in a separate letter dated February 29, 2012.

This report is intended solely for the information and use of the Mayor, City Council, and management of the City, the federal cognizant agency, other federal and state awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

**BKD, LLP**

May 31, 2012

**Independent Accountants' Report on Compliance with Requirements That Could Have a Direct and Material Effect on Each Major Federal and State Program and on Internal Control Over Compliance and Schedule of Expenditures of Federal and State Awards in Accordance with OMB Circular A-133 and the State of Texas Uniform Grant Management Standards**

The Honorable Mayor and Members of the City Council  
City of El Paso, Texas  
El Paso, Texas

**Compliance**

We have audited the compliance of the City of El Paso, Texas (the City) with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) *Circular A-133 Compliance Supplement* and the State of Texas *Uniform Grant Management Standards* that could have a direct and material effect on each of its major federal and state programs for the year ended August 31, 2011. The City's major federal and state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal and state programs is the responsibility of the City's management. Our responsibility is to express an opinion on the compliance of the City based on our audit.

The City's basic financial statements include operations of the Public Service Board –El Paso Water Utilities (EPWU), a discretely presented component unit of the City, which received \$3,269,421 in federal awards for the year ended February 28, 2011, which are not included in the schedule during the year ended August 31, 2011. Our audit, described below, did not include the operations of the EPWU because the component unit engaged other accountants to perform an audit in accordance with OMB Circular A-133.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and the State of Texas *Uniform Grant Management Standards*. Those standards, OMB Circular A-133 and the Texas Uniform Grant Management Standards require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal or state program occurred. An audit includes examining, on a test basis, evidence about the City's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the City's compliance with those requirements.

The Honorable Mayor and Members of the City Council  
City of El Paso, Texas

In our opinion, the City complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal and state programs for the year ended August 31, 2011. However, the results of our auditing procedures disclosed instances of noncompliance with those requirements that are required to be reported in accordance with OMB Circular A-133 and the State of Texas *Uniform Grant Management Standards* and which are described in the accompanying schedule of findings and questioned costs as items 2011-01 and 2011-02.

### **Internal Control Over Compliance**

The management of the City is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal and state programs. In planning and performing our audit, we considered the City's internal control over compliance with the requirements that could have a direct and material effect on a major federal or state program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133 and the State of Texas *Uniform Grant Management Standards*, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal or state program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal or state program will not be prevented, or detected and corrected, on a timely basis.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, we identified certain deficiencies in internal control over compliance that we considered to be significant deficiencies as described in the accompanying schedule of findings and questioned costs as items 2011-01 and 2011-02. A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal or state program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

The City's responses to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. We did not audit the City's responses and, accordingly, we express no opinion on the responses.

The Honorable Mayor and Members of the City Council  
City of El Paso, Texas

### **Schedule of Expenditures of Federal and State Awards**

We have audited the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of El Paso, Texas as of and for the year ended August 31, 2011, and have issued our report thereon dated February 29, 2012, which contained a reference to the reports of other accountants. Our audit was performed for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The accompanying schedule of expenditures of federal and state awards is presented for purposes of additional analysis as required by OMB Circular A-133 and the State of Texas *Uniform Grant Management Standards* and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

This report is intended solely for the information and use of the Mayor, City Council, and management of the City, the federal and state cognizant agencies, other federal and state awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

*BKD, LLP*

May 31, 2012, except for the paragraph on the  
Schedule of Expenditures of Federal Awards  
which is February 29, 2012

**City of El Paso, Texas**  
**Schedule of Findings and Questioned Costs**  
**Year Ended August 31, 2011**

***Summary of Auditor's Results***

1. The opinions expressed in the independent accountants' report were:

Unqualified       Qualified       Adverse       Disclaimed

2. The independent accountants' report on internal control over financial reporting disclosed:

Significant deficiency(ies)?

Yes       No

Material weakness(es)?

Yes       No

3. Noncompliance considered material to the financial statements was disclosed by the audit?

Yes       No

***Federal Awards***

4. The independent accountants' report on internal control over compliance with requirements applicable to major federal awards programs disclosed:

Significant deficiency(ies)?

Yes       No

Material weakness(es)?

Yes       No

5. The opinions expressed in the independent accountants' report were:

Unqualified       Qualified       Adverse       Disclaimed

6. The audit disclosed findings required to be reported by OMB Circular A-133?

Yes       No

**City of El Paso, Texas**  
**Schedule of Findings and Questioned Costs (Continued)**  
**Year Ended August 31, 2011**

7. The City's major federal programs were:

<b>Cluster/Program</b>	<b>CFDA Number</b>
Broadband Technology Opportunities Program	11.557
<i>CDBG - Entitlement Grants Cluster</i>	
Community Development Block Grants/Entitlement Grants	14.218
ARRA-Community Development Block Grant ARRA Entitlement Grants	14.253
Airport Improvement Program	20.106
<i>Federal Transit Cluster</i>	
Federal Transit - Formula Grants	20.507
ARRA - Federal Transit - Formula Grants	20.507
Weatherization Assistance for Low Income Persons	81.042
Energy Efficiency and Conservation Block Grant	81.128

8. The threshold used to distinguish between Type A and Type B programs as those terms are defined in OMB Circular A-133 was \$2,645,007.

9. The City qualified as a low-risk auditee as that term is defined in OMB Circular A-133?  Yes  No

**State Awards**

10. The independent accountants' report on internal control over compliance with requirements applicable to major state awards programs disclosed:

Significant deficiency(ies)?  Yes  No

Material weakness(es)?  Yes  No

11. The opinions expressed in the independent accountants' report on compliance with requirements applicable to major state awards were:

Unqualified  Qualified  Adverse  Disclaimed

12. The audit disclosed findings required to be reported by the State of Texas *Uniform Grant Management Standards*:  Yes  No

**City of El Paso, Texas**  
**Schedule of Findings and Questioned Costs (Continued)**  
**Year Ended August 31, 2011**

13. The City's major state programs were:

**Cluster/Program**

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ABTPA Border Partners

Serious Habitual Offenders Comprehensive Action Program

Tuberculosis Prevention and Control

14. The threshold used to distinguish between Type A and Type B programs as those terms are defined in the State of Texas *Uniform Grants Management Standards* was \$300,000.

15. The City qualified as a low-risk auditee as that term is defined in the State of Texas *Uniform Grant Management Standards*?  Yes  No



**City of El Paso, Texas**  
**Schedule of Findings and Questioned Costs (Continued)**  
**Year Ended August 31, 2011**

**Findings Required to be Reported by *Government Auditing Standards***

No matters are reportable.

**City of El Paso, Texas**  
**Schedule of Findings and Questioned Costs (Continued)**  
**Year Ended August 31, 2011**

**Findings Required to be Reported by OMB Circular A-133**

Reference Number	Finding	Questioned Costs
2011-01	<p style="text-align: center;"><u>ARRA-Weatherization Assistance for Low-Income Persons</u>  <u>CFDA No. 81.042</u>  <u>U.S. Department of Energy</u>  <u>Special Tests and Provisions</u></p> <p><i>Criteria or Specific Requirement:</i>  Pursuant to 10 C.F.R 44.24 and the grant agreement, project files must include documentation of post weatherization carbon monoxide readings for all combustible appliances.</p> <p><i>Condition</i>  Out of 60 files selected for testing, 25 were missing the required post carbon monoxide readings.</p> <p><i>Context</i>  Adequate carbon monoxide readings were not performed or were not documented in project files in accordance with federal requirements.</p> <p><i>Effect</i>  Project files were incomplete and not in compliance with grant requirements.</p> <p><i>Cause</i>  City staff lacked insufficient training and instruction regarding the administration of this grant.</p>	None

**City of El Paso, Texas**  
**Schedule of Findings and Questioned Costs (Continued)**  
**Year Ended August 31, 2011**

Reference Number	Finding	Questioned Costs
2011-01 (Continued)	<p><b><i>Recommendation</i></b></p> <p>The City should develop and implement policies and procedures to ensure staff review grant agreements and obtain the necessary training to facilitate compliance and proper documentation.</p> <p><b><i>Views of Responsible Officials and Planned Corrective Actions</i></b></p> <p>Agree.</p> <p><b><i>Corrective Action Planned:</i></b></p> <p>Senior Management Staff with previous experience in Weatherization Assistance programs was hired. The new management staff reviewed and enforced compliance with the grant agreement. New local policies and procedures were developed in accordance with the grant agreement and federal and state guidelines. Significant training for all Weatherization Inspectors, which facilitated program compliance and proper file documentation, was conducted.</p> <p><b><i>Contact Person Responsible for Corrective Action:</i></b></p> <p>Mr. William Lilly, Director of Community Development</p> <p><b><i>Anticipated Completion Date:</i></b></p> <p>December 31, 2011</p>	

**City of El Paso, Texas**  
**Schedule of Findings and Questioned Costs (Continued)**  
**Year Ended August 31, 2011**

**Findings Required to be reported by the State of Texas Uniform Grant Management Standards**

Reference Number	Finding	Questioned Costs
2011-02	<u>Serious Habitual Offenders Comprehensive  Action Program</u> <u>Grant Number GC-10-J120-23211-01</u> <u>Office of the Governor, Criminal Justice Division</u>	None

***Criteria or Specific Requirement:***

Pursuant to the grant agreement the El Paso Police Department shall maintain a time and activity report that supports the overtime paid to all personnel working in this program.

***Condition***

The City did not maintain time and activity reports sufficient to support the grant expenditures.

***Context***

The time and activity reports were required to meet grant reimbursement requirements.

***Effect***

The requirements of the grant agreement were not met.

***Cause***

The City did not have adequate controls or procedures in place to ensure the proper documentation was being prepared or maintained to meet the requirements of the grant.

**City of El Paso, Texas**  
**Schedule of Findings and Questioned Costs (Continued)**  
**Year Ended August 31, 2011**

Reference Number	Finding	Questioned Costs
2011-02 (Continued)	<p><b><i>Recommendation</i></b>  Policies and procedures should be developed and implemented to ensure proper documentation is maintained to support grant expenditures.</p> <p><b><i>Views of Responsible Officials and Planned Corrective Actions</i></b>  Agree.</p> <p><b><i>Corrective Action Planned:</i></b>  The City will develop and implement policies and procedures to ensure proper documentation is maintained to support grant expenditures.</p> <p><b><i>Contact Person Responsible for Corrective Action:</i></b>  Laura Garcia, Administrative Services Manager for Police Department</p> <p><b><i>Anticipated Completion Date:</i></b>  June 30, 2012</p>	

**City of El Paso, Texas**  
**Summary Schedule of Prior Audit Findings**  
**Year Ended August 31, 2011**

Reference Number	Finding	Status
2010-01	<u>CDBG – Entitlement Grants Cluster</u> <u>ARRA – Community Development Block Grant</u> <u>ARRA Entitlement Grants</u> <u>CFDA No. 14.253</u> <u>U. S. Department of Housing and Urban Development</u> <u>Subrecipient Monitoring</u>	Resolved

***Criteria or Specific Requirement:***

Pursuant to Section 1512(h) of the American Recovery and Reinvestment Act of 2009 (ARRA) and 2 CFR section 176.50(c), the City is required to identify to first-tier subrecipients to register in the Central Contractor Registry (CCR).

***Condition:***

Centro Mayapan Festival Marketplace, a CDBG-R subrecipient, was awarded a grant in the amount of \$250,000. A search for the subrecipient in the CCR database was performed and yielded no matches. It was concluded that the subrecipient was not registered in the CCR database.

***Context:***

One of the two subrecipients of the City’s CDBG-R program was not registered in the CCR database.

***Effect:***

Registration with the CCR by a first-tier subrecipient awarded recovery money is required by federal regulations.

***Cause:***

The City did not properly notify the subrecipient or ensure the subrecipient was properly registered in the CCR system before awarding the Organization federal funds.

***Recommendation***

It is recommended that all of the City’s subrecipients of recovery money are notified of the requirement to register in the CCR database and that the City review the CCR database and document the registration of the subrecipient before approving the award.

**City of El Paso, Texas**  
**Summary Schedule of Prior Audit Findings (Continued)**  
**Year Ended August 31, 2011**

2010-01  
(Continued)

CDBG – Entitlement Grants Cluster  
ARRA – Community Development Block Grant  
ARRA Entitlement Grants  
CFDA No. 14.253  
U. S. Department of Housing and Urban Development  
Subrecipient Monitoring

***Views of Responsible Officials and Planned Corrective Actions***  
Agree.

***Corrective Action Planned:***

The Community Development department will contact the subrecipient and require them to register with the CCR. Additionally, the City will notify all organizations requesting recovery grant funds to register with the CCR before final approval of the grant application and will review the system and document the registration before awarding the Organization grant funding.

***Contact Person Responsible for Corrective Action:***

Mr. William Lilly, Director of Community Development

***Anticipated Completion Date:***

June 15, 2011

**City of El Paso, Texas**  
**Summary Schedule of Prior Audit Findings (Continued)**  
**Year Ended August 31, 2011**

Reference Number	Finding	Status
2010-02	<p style="text-align: center;"><u>CDBG – Entitlement Grants Cluster</u>  <u>Community Development Block Grants/Entitlement Grants</u>  <u>CFDA No. 14.218</u>  <u>U.S. Department of Housing and Urban Development</u>  <u>Reporting</u></p> <p><b><i>Criteria or Specific Requirement:</i></b>  Pursuant to 24 CFR 135.90 the City is required to submit an accurate HUD 60002, <i>Section 3 Summary Report, Economic Opportunities for Low-and Very Low-Income Persons</i> (OMB No. 2529-0043) annually for the CDBG program if the program receives over \$200,000 in funding that involves housing rehabilitation, housing construction, or other public construction.</p> <p><b><i>Condition</i></b>  The City did not file the report for the CDBG program for the fiscal year ending August 31, 2010.</p> <p><b><i>Context</i></b>  The HUD 60002 report is required to be submitted with the program’s annual performance report since the program received over \$200,000 in funding involving housing rehabilitation, housing construction, or other public construction.</p> <p><b><i>Effect</i></b>  The CDBG program performance reporting requirements were not followed in the manner required by federal regulations.</p> <p><b><i>Cause</i></b>  The City did not have adequate controls or procedures in place to ensure the report was filed accurately and timely.</p>	Resolved



**City of El Paso, Texas**  
**Summary Schedule of Prior Audit Findings (Continued)**  
**Year Ended August 31, 2011**

<b>Reference Number</b>	<b>Finding</b>	<b>Status</b>
2010-02 (Continued)	<p><b><i>Recommendation</i></b>  It is recommended that the Section 3 report for CDBG program for the fiscal year ended August 31, 2010 be filed as soon as possible and that adequate controls and procedures be put in place to ensure all reports are filed accurately and timely.</p> <p><b><i>Views of Responsible Officials and Planned Corrective Actions</i></b>  Agree.</p> <p><b><i>Corrective Action Planned:</i></b>  The City will file the HUD 60002 report as soon as the information is compiled and will incorporate procedures and controls to existing policies and manuals for filing this report in the future.</p> <p><b><i>Contact Person Responsible for Corrective Action:</i></b>  Mr. William Lilly, Director of Community Development</p> <p><b><i>Anticipated Completion Date:</i></b>  July 15, 2011</p>	

**City of El Paso, Texas**  
**Summary Schedule of Prior Audit Findings (Continued)**  
**Year Ended August 31, 2011**

**Findings Required to be reported by the State of Texas Uniform Grant Management Standards**

Reference Number	Finding	Status
2010-03	<u>Border Security Equipment and Technology Program</u> <u>Grant No. BSET-08-002 &amp; 004</u> <u>Texas Department of Public Safety</u> <u>Reporting</u>	Resolved

***Criteria or Specific Requirement:***

Pursuant to the *Border Security Equipment and Technology Grant Guidance and Application Kit Section 4, subsection IV* the City must meet the reporting requirements during the life of the grant. The reporting requirements include filing statistical, performance, and financial reports.

***Condition***

The City did not prepare and submit any of the required monthly or quarterly statistical reports or performance reports as required by items B and C of the above referenced sections of the Guidance and Application Kit.

***Context***

None of the required monthly statistical or quarterly performance reports were filed by the City. The reports are due 30 days after the end of the reporting period.

***Effect***

The Border Security Equipment and Technology reporting requirements were not followed in the manner required by state regulations.

***Cause***

The City did not perform proper research or review of the *Border Security Equipment and Technology Grant Guidance and Application Kit Section 4, subsection IV* to ensure all reporting requirements were being met as required by state regulations.

**City of El Paso, Texas**  
**Summary Schedule of Prior Audit Findings (Continued)**  
**Year Ended August 31, 2011**

<b>Reference Number</b>	<b>Finding</b>	<b>Status</b>
2010-03 (Continued)	<p><b><i>Recommendation</i></b></p> <p>It is recommended that the reports for the Border Security Equipment and Technology program be filed and that procedures be put in place to ensure all grant requirements are being reviewed and documented and controls be established to ensure all grant requirements are being properly followed.</p> <p><b><i>Views of Responsible Officials and Planned Corrective Actions</i></b></p> <p>Agree.</p> <p><b><i>Corrective Action Planned:</i></b></p> <p>The City will begin working to file all required reports and will implement controls and procedures to ensure that future reports are timely filed.</p> <p><b><i>Contact Person Responsible for Corrective Action:</i></b></p> <p>Laura F. Garcia, Administrative Services Manager</p> <p><b><i>Anticipated Completion Date:</i></b></p> <p>July 31, 2011</p>	